

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

PRIME PLUS MORTGAGE, INC.,  
License/Registration No.:  
FL-2011/SR-1081,

Enforcement Case No. 10-8609

and

ANDY SALAMA, PRESIDENT  
AND SOLE SHAREHOLDER,

Respondent. /

CONSENT ORDER  
ACCEPTING THE SURRENDER OF FIRST MORTGAGE LICENSE  
AND SECOND MORTGAGE REGISTRATION  
AND  
ASSESSING CIVIL FINE

Issued and Entered,  
This 24 day of July, 2011,  
By Stephen R. Hilker,  
Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order, incorporated herein, and the files and records of the Office of Financial and Insurance Regulation ("OFIR") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the Secondary Mortgage Loan Act ("SMLA"), 1981 PA 125, MCL 493.51 *et seq.*

Consent Order  
Enforcement Case No. 10-8609  
Page 2

2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.

3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.

4. All applicable provisions of MAPA have been met.

PRIME PLUS MORTGAGE INC. ("Respondent") violated MCL 445.1652(4), MCL 445.1672(a), MCL 493.52(6), MCL 493.77(3), MCL 445.1671(1), MCL 493.67(1), MCL 445.1671(2), and MCL 493.68(1).

NOW, THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, **IT IS ORDERED THAT:**

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby ACCEPTED.

2. Respondent shall CEASE and DESIST from violating MCL 445.1652(4), MCL 445.1672(a), MCL 493.52(6), MCL 493.77(3), MCL 445.1671(1), MCL 493.67(1), MCL 445.1671(2), and MCL 493.68(1).

3. This Order shall be and is effective immediately upon the date in which it is entered as shown in the caption hereof, and shall remain in effect unless terminated, modified, set aside, or suspended in writing by the commissioner or by order of the court.

4. Forthwith, Respondent shall CEASE and DESIST from engaging in any activity requiring licensure or registration under the MBLSLA or SMLA, and deliver to the commissioner its original first mortgage license certificate and original secondary mortgage registration certificate.

5. Respondent shall pay to OFIR, a civil fine in the amount of \$3,000.00. The civil fine shall be paid in 6 monthly installments, as follows. Within 30 days from the date of entry of this order, Respondent shall make an initial payment of \$500.00. Thereafter, the remaining \$2,500.00 shall be paid in monthly installments of \$500.00 each month due no later than the 30th day of each successive month following the initial payment of \$500.00. Each payment shall be tendered in the form of a certified check or money order payable to the State of Michigan. Failure to abide by these payment terms may

Consent Order  
Enforcement Case No. 10-8609  
Page 3

result in the immediate collection of the full amount due and further administrative enforcement actions or collection actions

6. The SURRENDER of Respondent's first mortgage broker and lender license, issued pursuant to provisions of the MBLSLA, shall be and hereby is ACCEPTED.


7. The SURRENDER of Respondent's secondary mortgage broker and lender registration, issued pursuant to provisions of the SMLA, shall be and hereby is ACCEPTED.

8. Respondent, any wholly or partially-owned subsidiary, any affiliated company, or any company related by common owner, officer, or director, or Respondent's officers, directors, and shareholders individually, shall not make application to the commissioner for licensure under the MBLSLA; the SMLA; the Consumer Financial Services Act, 1988 PA 161, as amended, MCL 487.2051 *et seq.*; or the Mortgage Loan Originator Licensing Act, MCL 493.131 *et seq.*, for a period of 2 years from the effective date of this Order as shown in the caption hereof.

9. The January 25, 2011, Final Order of Revocation issued and entered in this matter shall be and hereby is terminated.

10. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

**IT IS SO ORDERED.**

  
Stephen R. Hilker,  
Chief Deputy Commissioner

STATE OF MICHIGAN  
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS  
OFFICE OF FINANCIAL AND INSURANCE REGULATION

Before the Commissioner of the Office of Financial and Insurance Regulation

In the Matter of:

PRIME PLUS MORTGAGE, INC.,  
License/Registration No.:  
FL-2011/SR-1081,

Enforcement Case No. 10-8609

and

ANDY SALAMA, PRESIDENT  
AND SOLE SHAREHOLDER,

Respondent,

---

STIPULATION TO ENTRY OF CONSENT ORDER  
ACCEPTING THE SURRENDER OF FIRST MORTGAGE LICENSE  
AND SECOND MORTGAGE REGISTRATION  
AND  
ASSESSING CIVIL FINE

PRIME PLUS MORTGAGE, INC. ("Respondent") and the Office of Financial and Insurance Regulation ("OFIR") hereby stipulate and agree to the following:

1. OFIR staff conducted an on-site Examination of Respondent's books and records commencing on November 19, 2008, pursuant to Section 11(2)(c) of the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), MCL 445.1661(2)(c), and Section 6b(2)(b) of the Secondary Mortgage Loan Act ("SMLA"), MCL 493.56b(2)(2). The Examination concluded on February 5, 2009.

2. On or about October 19, 2009, a Report of Examination and Notice of Opportunity to Show Compliance ("NOSC") was issued by OFIR to Respondent in the above-entitled matter pursuant to the provisions of the Michigan Administrative Procedures Act ("MAPA"), MCL 24.201 *et seq.*, the MBLSLA, 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the SMLA, 1981 PA 125, as amended, MCL 493.51 *et seq.*

3. The Report of Examination and NOSC contained allegations that Respondent violated

Stipulation to Entry of Consent Order  
Enforcement Case No. 10-8609  
Page 2

the MBLSLA and SMLA and set forth the applicable laws and penalties which could be taken against Respondent.

4. Respondent did not respond to the Report of Examination or exercise its opportunity to show compliance. Having received no response, OFIR Staff determined that further disciplinary action was warranted.

5. On September 17, 2010, a Notice of Intent to Revoke ("NOIR") was issued to Respondent, pursuant to provisions of the MBLSLA and SMLA. The NOIR restated the allegations set forth in NOSC and informed Respondent that if it failed to request a hearing within 20 days of receipt, a final order revoking its license under the MBLSLA and registration under the SMLA would be issued and entered. The NOIR was served upon Respondent on November 5, 2010.

6. Respondent did not timely respond to the NOIR and on January 25, 2011, a Final Order Revoking First Mortgage and Secondary Mortgage Registration was issue and entered. The Final Order was placed in the mail January 27, 2011:

7. By letter dated January 24, 2011, Respondent, through its counsel, submitted information asserting that "due to very complicated reasons" Respondent's President and sole shareholder, Andy Salama, did not receive the NOIR in time to exercise its opportunity for a hearing. Respondent explained that the NOIR was received by an "individual who failed to forward the notice promptly to Mr. Salama thus causing the delay." Respondent further offered to surrender its first mortgage license and secondary mortgage registration.

8. On or about January 31, 2011, OFIR Staff contacted Respondent concerning the January 24, 2011 letter and informed Respondent that a Final Order had been issued on January 25, 2011.

9. On February 4, 2011, Respondent filed a Motion for Reconsideration requesting that, based on facts set forth in paragraph 7 above and other considerations, the Final Order be terminated and Respondent be allowed to surrender its first mortgage license and secondary mortgage registration.

10. OFIR Staff has conferred with Respondent and has determined that based upon the facts and circumstances of this matter and pursuant to the terms set forth below, OFIR Staff does not contest Respondent's Motion for Reconsideration. OFIR Staff and Respondent have determined to settle this matter pursuant to the terms set forth below.

11. The Commissioner of OFIR ("Commissioner") has jurisdiction and authority to adopt

Stipulation to Entry of Consent Order  
Enforcement Case No. 10-8609  
Page 3

and issue this Consent Order, pursuant to the MAPA, MCL 24.201 *et seq.*, and the MBLSLA.

12. At all pertinent times, Respondent was licensed with OFIR as a mortgage broker and lender pursuant to the MBLSLA, and registered with OFIR as a secondary mortgage broker and lender pursuant to the SMLA.

13. Based upon the allegations set forth in the NOIR and communications with Respondent, the following facts were established:

- a. Respondent paid 2 independent contractors, independent net branches, or unlicensed entities for regulated mortgage transactions, in violation of MCL 445.1652(4), MCL 445.1672(a), MCL 493.52(6), and MCL 493.77(3).
- b. Respondent operated 2 independent net branch locations, in violation of MCL 445.1652(4), MCL 445.1672(a), MCL 493.52(6), and MCL 493.77(3).
- c. Respondent failed to maintain adequate books and records of its business to enable the commissioner to determine compliance with the MBLSLA and SMLA, in violation of MCL 445.1671(1) and MCL 493.67(1).
- d. Respondent failed to preserve, maintain, and keep available for inspection and examination by the commissioner, each mortgage loan document in its possession or control, in violation of MCL 445.1671(2) and MCL 493.68(1).
- e. Respondent failed to comply with applicable law in violation of MCL 445.1672(a). Specifically, Respondent failed to:
  - i. Develop and implement written standards for safeguarding customer information, as required by the Federal Trade Commission's Safeguards Rule, implementing the Gramm Leach Bliley Act, 16 C.F.R. 314.
  - ii. Provide 1 borrower with a proper full and complete adverse action disclosure, as required by Section 202.9(a)(2) of the Board of Governors of the Federal Reserve Board's (the "Board") Regulation B, implementing the Equal Credit Opportunity Act ("ECOA"), 12 C.F.R. 202.9(a)(2).

Stipulation to Entry of Consent Order  
Enforcement Case No. 10-8609  
Page 4

- iii. Provide 2 borrowers with proper notice of their right to receive a copy of their appraisal report, in violation of the Board's Regulation B, implementing the ECOA, 12 C.F.R. 202.14(a).
- iv. Provide 6 borrowers with a clear and meaningful disclosure on the good faith estimate of the yield spread premium that the Respondent is expected to receive from the lender, as required by Section 3500.7(a)-(b) of the Department of Housing and Urban Development's Regulation X, implementing the Real Estate Settlement Procedures Act, 24 C.F.R. Part 3500.7(a)-(b).
- v. Fully comply with the requirements of set forth in a prior consent order to resolve case no. 05-3011.

14. Respondent agrees to CEASE AND DESIST from any and all violations of the statutes, rules, and regulations identified in paragraph 13 of this stipulation.

15. Respondent agrees to CEASE and DESIST from engaging in any activity requiring licensure or registration under the MBLSLA or SMLA. Respondent agrees to SURRENDER its first mortgage license and secondary mortgage registration and deliver to the commissioner its original first mortgage license certificate and original secondary mortgage registration certificate.

16. Respondent agrees that it shall pay to OFIR, a civil fine in the amount of \$3,000.00. The civil fine shall be paid in 6 monthly installments, as follows. Within 30 days from the date of entry of this order, Respondent shall make an initial payment of \$500.00. Thereafter, the remaining \$2,500.00 shall be paid in monthly installments of \$500.00 each month due no later than the 30th day of each successive month following the initial payment of \$500.00. Each payment shall be tendered in the form of a certified check or money order payable to the State of Michigan. Failure to abide by these payment terms may result in the immediate collection of the full amount due and further administrative enforcement actions or collection actions.

17. In exchange for the acceptance of the surrender of its first mortgage license and secondary mortgage registration, Respondent agrees that Respondent, any wholly or partially-owned subsidiary, any affiliated company, or any company related by common owner, officer, or director, or Respondent's officers, directors, and shareholders individually, shall not make application to the commissioner for licensure under the MBLSLA; SMLA; the Consumer

Stipulation to Entry of Consent Order  
Enforcement Case No. 10-8609  
Page 5

Financial Services Act, 1988 PA 161, as amended, MCL 487.2051 *et seq.*; or the Mortgage Loan Originator Licensing Act, MCL 493.131 *et seq.*, for a period of 2 years from the date of signing of an order by the Commissioner ordering the terms of this stipulation.

18. In consideration of terms set forth herein, OFIR accepts the SURRENDER of Respondent's first mortgage license and secondary mortgage registration and agrees to terminate the order of revocation previously entered in this matter.

19. The procedural requirements of the MAPA, the MBLSLA, and the SMLA have been complied with in all respects by both parties.

20. Respondent understands and agrees that this Stipulation will be presented to the Chief Deputy Commissioner for approval. The Chief Deputy Commissioner may in his sole discretion, decide to accept or reject the Stipulation and Consent Order. If the Chief Deputy Commissioner accepts the Stipulation and Consent Order, Respondent waives the right to a hearing in this matter and consents to the entry of the Consent Order. If the Chief Deputy Commissioner does not accept the Stipulation and Consent Order, Respondent waives any objection to the Commissioner holding a formal administrative hearing and making his decision after such hearing.

21. The failure to abide by and fully comply with the terms and conditions of this Stipulation and Consent Order may, at the discretion of the Commissioner, result in further administrative compliance actions.

22. The Commissioner has jurisdiction and authority under the provisions of the MAPA and the MBLSLA to accept this Stipulation to the Entry of Consent Order and to issue a Consent Order resolving these proceedings.

23. Respondent has had an opportunity to review this Stipulation and the accompanying Consent Order and have same reviewed by legal counsel.

PRIME PLUS MORTGAGE, INC.



Stipulation to Entry of Consent Order  
Enforcement Case No. 10-8609  
Page 6

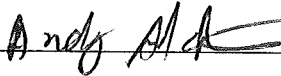


By: Andy Salama  
Its: President

ANDY SALAMA

7.20.2011

Dated



7.20.11

Dated

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION



By: James Westrin  
Staff Attorney

7/25/11

Dated